

City of Sunnyvale

Program Performance Budget

Program 740 - Purchasing and Payment of City Obligations

Program Performance Statement

In accordance with the City Charter and the Sunnyvale Municipal Code, centrally purchase and pay for all goods and services required to support City-wide operations, by:

- Creating and maintaining a fair and open purchasing system that encourages qualified suppliers and contractors to compete for City business,
- Obtaining maximum value for each dollar spent by soliciting formal competitive bids for purchases of goods and/or services and construction projects valued at more than \$50,000 and soliciting informal quotes, when possible, for purchases valued at \$50,000 or less,
- Participating in cooperative procurements with other governmental agencies to achieve cost savings through volume purchases,
- Enhancing competition for City contracts by increasing the vendor pool through effective advertising,
- Establishing purchasing and payment procedures which promote cost effective, efficient and ethical business practices and are in compliance with all laws, rules, regulations and policies,
- Providing assistance and training to City employees to ensure that they understand and comply with the City's purchasing and payment laws, policies and procedures,
- Maintaining a centralized warehouse where City employees are able to obtain commonly used supplies quickly and easily,
- Paying supplier invoices timely, accurately and in compliance with contract terms and conditions and City policies and procedures,
- Issuing purchasing cards to those City employees whose work assignments are such that the cards enhance their productivity and cost effectiveness, and
- Disposing of surplus and obsolete equipment and supplies, using processes that are cost effective, promote recycling and maximize sales revenue to the City.

Notes

1. The Purchasing Division will be developing an entirely new purchasing and payment training program for City employees. Work hours in FY 2006/07 include program development, as well as, the first round of training presentation. Work hours in FY 2007/08 include ongoing training presentation and only limited program development, if updates are required.

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Program Measures

Quality

	Priority	2006/2007 Proposed	2007/2008 Proposed
* City bidding opportunities are advertised when legally required.	M		
- Percent Advertised		100.00%	100.00%
- Number Requiring Ad		50.00	50.00
* Payments are processed accurately.	I		
- Percent Accurate		95.00%	95.00%
- Number Processed		29,000.00	29,000.00
* The results of the City's Internal Customer Satisfaction Survey indicate that internal customers are generally satisfied with the purchasing and payment services received.	D		
- Percent Satisfied		85.00%	85.00%
* Purchasing training attendees rate training received as satisfactory or better.	D		
- Percent Satisfied		90.00%	90.00%
- Number of Attendees		150.00	150.00

Productivity

* Contracts are issued for purchases over \$50,000 within 55 calendar days of receipt of requisition.	C		
- Percent Issued as Scheduled		80.00%	80.00%
- Number of Contracts		82.00	82.00
* Contracts are issued for purchases of \$50,000 or less within 13 calendar days of receipt of requisition.	C		
- Percent Issued as Scheduled		80.00%	80.00%
- Number of Contracts		1,270.00	1,270.00
* Contracts are issued for public works projects over \$50,000 within 70 calendar days of receipt of requisition.	C		
- Percent Issued as Scheduled		80.00%	80.00%
- Number of Contracts		20.00	20.00
* Supplier payments are made within 30 days of receipt of invoice.	I		
- Percent Paid as Scheduled		75.00%	75.00%
- Number of Payments		29,000.00	29,000.00
* Central Stores stock turns over at least three times annually.	I		
- Turnover Rate		300.00%	300.00%
- Inventory Value		\$425,000.00	\$425,000.00

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Program Measures

Productivity

- * No more than 1% of items stocked at Central Stores are out of stock at any given time.

- Percent at Zero On-Hand

- Total Items Stocked

Priority

2006/2007

Proposed

2007/2008

Proposed

D

1.00%

1,400.00

1.00%

1,400.00

Cost Effectiveness

- * Revenue generated from the sales of surplus property is 10 times the cost of disposal.

- Revenue Over Cost

- Revenue Generated

I

10.00

\$87,481.00

10.00

\$87,481.00

- * Purchasing staff generates cost savings equal to at least 50% of its planned program costs through bidding or negotiating lower prices than anticipated, standardizing products or services, eliminating ineffective or unnecessary contracted services, or through other innovative processes.

- Percent of Program Costs

- Cost Savings

D

50.00%

\$659,295.99

50.00%

\$673,859.32

- * Cost of a purchasing card transaction equals 75% of the cost of an invoice transaction.

- Percent

- Invoice Processing Cost

D

75.00%

\$12.25

75.00%

\$12.25

Financial

- * Actual total expenditures for Purchasing and Payment of City Obligations will not exceed planned program expenditures.

- Total Program Expenditures

C

\$1,318,591.98

\$1,347,718.63

Priority Legend

M: Mandatory

C: Council Highest Priority

I: Important

D: Desirable

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Service Delivery Plan 74001 - Centralized Purchasing

Purchase, or supervise the purchase of equipment, supplies, construction and services as required to support City operations, by:

- Timely processing all purchase requisitions to ensure that necessary goods and services are received without interruption,
- Obtaining maximum value for each dollar spent by soliciting formal competitive bids for purchases of goods and/or services and construction projects valued at more than \$50,000 and soliciting informal quotes, when possible, for purchases valued at \$50,000 or less,
- Providing assistance and training to City employees to ensure that they understand and comply with the City's purchasing and payment laws, policies and procedures, and
- Administering all purchasing-related software applications, including establishing and maintaining system security, setting up user profiles and other critical application functions.

Notes

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Service Delivery Plan 74001 - Centralized Purchasing

	2006/2007 Proposed	2007/2008 Proposed
Activity 740000 - Purchase Goods or Services Valued at More Than \$50,000		
Product: A Contract Issued		
Costs:	\$160,155.26	\$164,098.30
Products:	82.00	82.00
Work Hours:	1,982.00	1,982.00
Product Cost:	\$1,953.11	\$2,001.20
Work Hours/Product:	24.17	24.17
Activity 740100 - Purchase Goods or Services Valued at \$50,000 or Less		
Product: A Contract Issued		
Costs:	\$186,518.79	\$190,385.96
Products:	1,270.00	1,270.00
Work Hours:	2,483.00	2,483.00
Product Cost:	\$146.87	\$149.91
Work Hours/Product:	1.96	1.96
Activity 740110 - Bid and Issue Contracts for Public Works Projects		
Product: A Contract Issued		
Costs:	\$101,140.47	\$103,434.31
Products:	20.00	21.00
Work Hours:	1,300.00	1,300.00
Product Cost:	\$5,057.02	\$4,925.44
Work Hours/Product:	65.00	61.90

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Service Delivery Plan 74001 - Centralized Purchasing

	2006/2007 Proposed	2007/2008 Proposed
Activity 740120 - Support Automated Purchasing System		
Product: A Work Hour		
Costs:	\$94,683.56	\$104,676.46
Products:	1,170.00	1,270.00
Work Hours:	1,170.00	1,270.00
Product Cost:	\$80.93	\$82.42
Work Hours/Product:	1.00	1.00
Activity 740130 - Provide Purchasing Assistance to City Employees		
Product: A Request for Assistance		
Costs:	\$40,977.59	\$47,264.64
Products:	670.00	720.00
Work Hours:	485.00	535.00
Product Cost:	\$61.16	\$65.65
Work Hours/Product:	0.72	0.74
Activity 740140 - Develop and Conduct Purchasing Training Sessions for City Employees		
Product: A Participant		
Costs:	\$30,044.15	\$17,351.30
Products:	40.00	40.00
Work Hours:	350.00	200.00
Product Cost:	\$751.10	\$433.78
Work Hours/Product:	8.75	5.00
Totals for Service Delivery Plan 74001 - Centralized Purchasing		
Costs:	\$613,519.82	\$627,210.97
Hours:	7,770.00	7,770.00

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Program 740 - Purchasing and Payment of City Obligations

Service Delivery Plan 74002 - Payment of Non-Payroll Obligations

Establishing cost effective, efficient and fiscally sound payment practices, by:

- Paying all supplier invoices accurately, timely and in accordance with contract terms and conditions and City policies and procedures,
- Issuing purchasing cards to those City employees whose work assignments are such that the cards enhance their productivity and cost effectiveness,
- Facilitating appropriate business travel by issuing travel advances and processing travel expense reports upon conclusion of travel,
- Maintaining petty cash accounts by which City employees can be quickly reimbursed for incidental out-of-pocket expenditures for City business, and
- Generating all reports required by state and federal agencies in an accurate and timely manner.

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Service Delivery Plan 74002 - Payment of Non-Payroll Obligations

	2006/2007 Proposed	2007/2008 Proposed
Activity 740200 - Administer Purchasing Card Program		
Product: A Purchasing Card Transaction		
Costs:	\$27,293.88	\$27,814.55
Products:	13,000.00	13,000.00
Work Hours:	350.00	350.00
Product Cost:	\$2.10	\$2.14
Work Hours/Product:	0.03	0.03
Activity 740210 - Payment of Invoices and Other Non-Payroll Obligations		
Product: A Payment Vouched		
Costs:	\$250,580.68	\$255,872.66
Products:	29,000.00	29,000.00
Work Hours:	4,026.00	4,026.00
Product Cost:	\$8.64	\$8.82
Work Hours/Product:	0.14	0.14
Activity 740220 - Prepare and Issue IRS Form 1099s		
Product: A 1099 Issued		
Costs:	\$16,529.58	\$16,850.20
Products:	250.00	250.00
Work Hours:	225.00	225.00
Product Cost:	\$66.12	\$67.40
Work Hours/Product:	0.90	0.90

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Service Delivery Plan 74002 - Payment of Non-Payroll Obligations

	2006/2007 Proposed	2007/2008 Proposed
Activity 740230 - Prepare and File All Legally-Required Reports		
Product: A Report Generated		
Costs:	\$7,346.48	\$7,488.98
Products:	51.00	51.00
Work Hours:	100.00	100.00
Product Cost:	\$144.05	\$146.84
Work Hours/Product:	1.96	1.96
Activity 740240 - Prepare Ad Hoc Reports		
Product: A Report Generated		
Costs:	\$5,509.86	\$5,616.74
Products:	50.00	50.00
Work Hours:	75.00	75.00
Product Cost:	\$110.20	\$112.33
Work Hours/Product:	1.50	1.50
Activity 740250 - Review and Process Travel Documentation		
Product: An Expense Report Processed		
Costs:	\$18,948.83	\$19,403.86
Products:	450.00	450.00
Work Hours:	250.00	250.00
Product Cost:	\$42.11	\$43.12
Work Hours/Product:	0.56	0.56

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Service Delivery Plan 74002 - Payment of Non-Payroll Obligations

	2006/2007 Proposed	2007/2008 Proposed
Activity 740260 - Monitor and Replenish Petty Cash Accounts		
Product: A Petty Cash Transaction		
Costs:	\$2,975.10	\$3,036.68
Products:	1,200.00	1,200.00
Work Hours:	50.00	50.00
 Product Cost:	 \$2.48	 \$2.53
Work Hours/Product:	0.04	0.04
 Activity 740270 - Provide Payment Assistance to City Employees		
Product: A Request for Assistance		
Costs:	\$8,852.13	\$9,094.18
Products:	250.00	250.00
Work Hours:	115.00	115.00
 Product Cost:	 \$35.41	 \$36.38
Work Hours/Product:	0.46	0.46
 Totals for Service Delivery Plan 74002 - Payment of Non-Payroll Obligations		
 Costs:	 \$338,036.54	 \$345,177.85
Hours:	5,191.00	5,191.00

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Service Delivery Plan 74004 - Central Stores

Maintain and operate a centralized warehouse from which City employees can quickly and easily obtain supplies and dispose of surplus, by:

- Ordering, stocking and distributing commonly-used items that are up-to-date and relevant to City operations, such that stock turns over at least three times per year,
- Maintaining inventory levels that are fiscally responsible while keeping stock outages at a minimum,
- Providing a centralized receiving station for Corporation Yard work units, and
- Removing surplus and obsolete equipment and supplies from work areas throughout the City and disposing of it, using processes that are cost effective, promote recycling and maximize sales revenue to the City.

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Service Delivery Plan 74004 - Central Stores

	2006/2007 Proposed	2007/2008 Proposed
Activity 740400 - Purchase Inventory		
Product: A Inventory Purchase		
Costs:	\$76,591.90	\$78,134.02
Products:	3,500.00	3,500.00
Work Hours:	1,200.00	1,200.00
Product Cost:	\$21.88	\$22.32
Work Hours/Product:	0.34	0.34
Activity 740410 - Receive Inventory		
Product: An Inventory Receipt		
Costs:	\$92,560.95	\$94,466.61
Products:	4,000.00	4,000.00
Work Hours:	1,409.00	1,409.00
Product Cost:	\$23.14	\$23.62
Work Hours/Product:	0.35	0.35
Activity 740420 - Take Physical Inventory		
Product: An Item Inventoried		
Costs:	\$8,649.97	\$8,824.33
Products:	100,000.00	100,000.00
Work Hours:	136.00	136.00
Product Cost:	\$0.09	\$0.09
Work Hours/Product:	0.00	0.00

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Service Delivery Plan 74004 - Central Stores

	2006/2007 Proposed	2007/2008 Proposed
Activity 740430 - Issue Stock to City Employees		
Product: An Item Issued		
Costs:	\$77,244.26	\$78,795.34
Products:	24,000.00	24,000.00
Work Hours:	1,200.00	1,200.00
Product Cost:	\$3.22	\$3.28
Work Hours/Product:	0.05	0.05
Activity 740440 - Provide Centralized Receiving for the Corporation Yard		
Product: A Shipment Received		
Costs:	\$26,073.45	\$26,601.47
Products:	2,200.00	2,200.00
Work Hours:	416.00	416.00
Product Cost:	\$11.85	\$12.09
Work Hours/Product:	0.19	0.19
Activity 740450 - Dispose of Surplus		
Product: An Disposed Item		
Costs:	\$8,388.55	\$8,553.65
Products:	2,000.00	2,000.00
Work Hours:	125.00	125.00
Product Cost:	\$4.19	\$4.28
Work Hours/Product:	0.06	0.06
Totals for Service Delivery Plan 74004 - Central Stores		
Costs:	\$289,509.08	\$295,375.42
Hours:	4,486.00	4,486.00

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Service Delivery Plan 74005 - Management and Support Services

Provide management and support activities, by:

- Ensuring adequate staffing of positions to meet program goals,
- Providing timely and meaningful performance feedback to employees,
- Communicating consistently with staff regarding program operations through regular staff meetings,
- Creating an environment that allows staff members to develop their potential in order to positively impact the goals of the City, and
- Contributing to City-wide improvement projects.

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Service Delivery Plan 74005 - Management and Support Services

	2006/2007 Proposed	2007/2008 Proposed
Activity 740500 - Management and Supervisory Services		
Product: A Work Hour		
Costs:	\$40,404.26	\$41,852.67
Products:	400.00	400.00
Work Hours:	400.00	400.00
Product Cost:	\$101.01	\$104.63
Work Hours/Product:	1.00	1.00
Activity 740510 - Administrative Support		
Product: A Work Hour		
Costs:	\$9,546.94	\$9,738.26
Products:	145.00	145.00
Work Hours:	145.00	145.00
Product Cost:	\$65.84	\$67.16
Work Hours/Product:	1.00	1.00
Activity 740520 - Participate In City-Wide Assignments		
Product: A Project Completed		
Costs:	\$15,151.60	\$15,694.74
Products:	5.00	5.00
Work Hours:	150.00	150.00
Product Cost:	\$3,030.32	\$3,138.95
Work Hours/Product:	30.00	30.00

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Service Delivery Plan 74005 - Management and Support Services

	2006/2007 Proposed	2007/2008 Proposed
Activity 740530 - Staff Training and Development		
Product: A Training Session		
Costs:	\$12,423.74	\$12,668.72
Products:	13.00	13.00
Work Hours:	118.00	118.00
Product Cost:	\$955.67	\$974.52
Work Hours/Product:	9.08	9.08
Totals for Service Delivery Plan 74005 - Management and Support Services		
Costs:	\$77,526.54	\$79,954.39
Hours:	813.00	813.00

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		2006/2007 Proposed	2007/2008 Proposed
Totals for Program 740	Costs:	\$1,318,591.98	\$1,347,718.63
	Hours:	18,260.00	18,260.00

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